

SECRET

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TO:
ATTN:
FROM:

[Redacted]

*author of report
states that the exercise
the problem does not
exist at the moment?
and that no
correcting action
has been called
for until new
info is
received
after his
return.
29 Sept.*

September 1954

[Redacted]

*Adm
from*

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MEMO NO. 25: NEW [Redacted] COLLECTION PROGRAM IN RELATION TO [Redacted] REQUIREMENTS

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1. [Redacted] is making a radical change in its collection policy in this theatre. The change involves both overt and covert collection. If implemented in its present form, the new policy may adversely affect the meeting of [Redacted] requirements. In this dispatch it is proposed first to describe briefly the nature of the new policy. Next plans to meet these new conditions here in the field will be noted. Finally, suggestions will be offered for the consideration by [Redacted] of means which might be taken in Washington to protect its interests in this theatre.

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2. [Redacted] collection in this [Redacted] has been conducted through three organizations: [Redacted]

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a. [Redacted] in addition to performing its conventional functions, has procured high level political and economic intelligence at the policy level, which has been of great use to this division in fulfilling its current intelligence analysis and evaluation mission. Under the new [Redacted] policy [Redacted] is to turn over this endeavor to a Logistics Section to be organized within the [Redacted]

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b. [Redacted] has been an effective covert collector in the scientific and technical field. Recently it has also secured a number of detailed official plant summaries (Betriebspässe) on major East German industrial plants. In the future this section is to be confined to scientific reporting, while collection in the economic field is to be undertaken by the new logistics section. Logistics, however, is being defined strictly under [Redacted] direction to include only the production of the following items: 1) iron and steel, 2) liquid and solid fuels, 3) transportation equipment, and 4) direct military end products. It is understood that this new directive would exclude collection in the fields of 1) nonferrous metal production, 2) machine tools, 3) ball bearings, 4) industrial equipment generally, or 5) the activities of industrial plants not comprehended in the above list. Broadly speaking, concentration will be on selected indicators rather than upon the economy as a whole.

c. On the overt side ODIBEX has performed a unique and valuable function in operating [Redacted] as a center for the debriefing of quality refugees from East Germany.

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[Redacted]

teams debrief the run

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*Thermofax copy to SC/1 - 24 September 54 by hand.
Thermofax copy to FCS/CI*

of the mine East Germans principally for target information. Other organizations interrogate sources possessing scientific information. By and large, this leaves the [] as the only group in the theatre that interrogates the better quality East German refugees, particularly those with industrial and economic information. Under the new [] theatre directives, the [] will be limited in its collecting functions, to subjects of strict logistics import. Carrying out of this policy will result in failure of any organization in this theatre to exploit the knowledge of these quality East German industrial sources.

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[] Such covert collection, however, tends to be confined to certain key products and cannot eliminate need for collection from important installations.

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4. Implementation of the new [] theatre policy will have additional effects. Hitherto, reporting on industrial sources was conducted by the []

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[] This section has in the past reported principally to the [] and has reported collaterally in the field to []

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Under its charter the [] has been able to accept directly [] requirements of a specific nature, tailored to particular sources, prepared by [] analysts.

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The new policy will require the [] to invite and interrogate sources only on the basis of [] requirements. Reports will also be made directly to the [] theatre command. It is feared that carrying out of this new directive will therefore render it difficult to continue the effective exploitation of these sources which has been developed by past liaison []

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5. Representations as to the effects of this new policy have already been made to the Chief of the [] logistics section, who indicated, as the result of specific questioning, that although collection units operating under his section were being instructed to operate only in terms of the logistical collection concept outlined in Para 2 above, he was prepared also to entertain other collection directions, emanating from our organization in Washington and forwarded via [] channels.

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6. Every effort is being made by this division, through the theatre [] channels to impress upon [] the continued need for a broader approach to the collection of economic intelligence. Stress is being given to the need for exploiting present covert sources to the fullest, rather than in terms of logistical collection alone. A strong attempt will be made to present the point of view that in the debriefing of East German refugees [] is performing a service function not only for itself, but for the other intelligence services.

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7. Although it is believed that our efforts will in the long run ameliorate the new [] policy, especially in connection with collection by the [] where our interest is limited to a relatively few higher level sources, it is also our view that [] can assist in this effort by levying standing collection requirements in its interest through Washington [] channels. These requirements should be of such a substantive nature as to fill the gaps created by the new logistics approach to intelligence being taken by [] in the theatre.

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